

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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| In re: SouthRock Capital Ltda., <i>et al.</i> ¹ <div style="text-align: right;">Debtors in a Foreign Proceeding.</div> | § § § § § § § § § § | Case No. 24-90398 (CML) Chapter 15 |
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**DECLARATION OF KENNETH POPE IN SUPPORT OF THE MOTION
OF FOREIGN REPRESENTATIVE FOR PROVISIONAL RELIEF PURSUANT TO
BANKRUPTCY CODE SECTIONS 1519, 1521, 362 AND 105**

I, Kenneth Pope, pursuant to 28 U.S.C. § 1746(1), state as follows:

1. I am a resident of Brazil, am over the age of 18, have personal knowledge of the following facts, and am competent to testify as to the following facts.
2. I am either the sole director or a member of the board of directors of each of the Debtors in these chapter 15 proceedings.
3. As a guarantor of certain loans issued to the Debtors, I have been named a defendant in the following lawsuits pending in the United States:
 - a. *Banco Modal S.A. v. Kenneth Steven Pope*, Case No. 2023-80596 (Tex. 234th Dist. Ct.);

¹ The debtors in these chapter 15 cases, along with the last four digits of each debtor's Brazilian tax identification number, are as follows: (a) SouthRock Capital Ltda. (01-35); (b) Americana Franquia S.A. (01-51); (c) Brazil Airport Restaurantes S.A. (01-73); (d) HB Participações S.A. (01-57); (e) SRC 5 Participações Ltda. (01-02); (f) SRC 6 Participações Ltda. (01-41); (g) SRC Holding Participações S.A.(01-74); (h) SR N Participações S.A. (01-01); (i) Star Participações S.A. (01-09); (j) Starbucks Brasil Comércio de Cafés Ltda. (01-00); (k) SW do Brasil Ltda. (01-20); (l) SW Stores do Brasil Ltda. (01-36); and (m) Wahalla Ltda. (01-10). The Debtors' mailing and service address is Avenida Paulista, 1294, 14º andar, sala 14, Bela Vista, Sao Paulo/SP, CEP 01310-915, Brazil.

- b. *Ativos Especiais II – Fundo De Investimento Em Direitos Creditorios – NP and Ativos Especiais III – Fundos de Investimento Em Direitos Creditorios – NP v. Kenneth Steven Pope*, Index No. 655972/2023 (N.Y. Supr. Ct.);
- c. *Banco Votorantim S.A. v. Kenneth Steven Pope, et al.*, Case No. 2024-008379-CA-01 (Fla. 11th Cir. Ct.); and
- d. *Banco Votorantim S.A. v. Starbucks Brasil Comercio De Cafes Ltda., et al.*, Case No. 24-4261-467 (Tex. 467th Dist. Ct.) (together, the “U.S. Litigation”).

4. The assets I own in the United States consist of (i) a bank account held with UBS with a balance of approximately \$21,518.99 (“the UBS Account”); (ii) an account held with Goldman Sachs with a balances of approximately \$1,152 (the “GS Account”); (iii) an account with Bank of America holding approximately \$675.46 (the “BoA Account”), and (iv) 100% of equity of SouthStone Capital LLC (the “SouthStone Equity”).

5. The total balance in the UBS Account and the GS Account is \$22,670.99.

6. The balances in the UBS Account and the GS Account have already been attached by the plaintiffs in the course of the U.S. Litigation.

7. I have held the funds in the UBS Account and the GS Account to pay the legal fees I incurred during legal proceedings for the custody of my children.

8. The BoA Account is funded by alimonies paid by my ex-spouse for the maintenance of our children.

9. I have the primary custody of my children.

10. SouthStone Capital LLC (“SouthStone”), previously named GoSouth Investments LLC, is my investment vehicle company through which I own equity in SouthRock Capital LLC (“SouthRock”).

11. SouthStone is a Texas entity.

12. SouthStone is not a borrower nor guarantor of those certain loans issued to the Debtors that are implicated in the U.S. Litigation.

13. SouthStone holds a bank account with Goldman Sachs (the SS GS Account).

14. The account balance in the SS GS Account is \$18,191.

15. The SS GS Account has been attached by the plaintiffs in the course of the U.S. Litigation.

16. SouthStone owns 89.999% of the equity of SouthRock.

17. I own directly 0.001% of equity of SouthRock.

18. I hold directly and indirectly through SouthStone 90% of equity of SouthRock.

19. Between 2016 and 2023, I received the value of BRL 20,415,990.46 (\$3,879,038.19)² in dividend advances from SouthRock, of which BRL 15,066,000.00 (\$2,862,540.00) were dividend advances in lieu of salary.

20. I started drawing salary from the Debtors in 2022.

21. My salary has been garnished by creditors in Brazil in connection with those certain guarantees on debt issued to the Debtors.

22. My net annual salary after garnishment is the equivalent of approximately \$189,000.

23. Between 2016 and 2021, my equity contributions to SouthRock amounted to the value of \$2,389,926.00, which is the equivalent to BRL 12,929,499.66.³

² Using today's exchange rate of 1 BRL = 0.19 USD for simplicity.

³ Using today's exchange rate of 1 USD = 5.41 BRL for simplicity.

24. Deducting the dividend advances from my equity contributions to SouthRock, the difference is a negative \$1,489,112.19 or BRL 7,486,490.80.⁴

25. Deducting the dividend advances in lieu of salary from my equity contributions to SouthRock, the difference is a negative \$472,614.00 or BRL 2,136,500.34.⁵

26. The difference between my equity contributions to SouthRock and the dividend advances in lieu of salary averaged over six years when I did not draw salary (2016-2021) equals \$78,769.00 or BRL 356,083.39.⁶ In other words, \$78,769.00 per year is the net compensation, during the company's startup years, to me as chief executive officer of each of the companies in the debtor group between 2016 and 2021 as I reinvested substantially all earnings back into the company.

27. The table below (Table 1) represents (a) my dividend advances from SouthRock, (b) my equity contributions to SouthRock, (c) the difference between my equity contributions to SouthRock and the dividend advances; (d) the difference between my equity contributions to SouthRock and the dividend advances in lieu of salary, and (e) the difference between my equity contributions to SouthRock and the dividend advances in lieu of salary as an average over six years, all expressed in U.S. dollars and in Brazilian reals.

⁴ Using the above-listed exchange rates.

⁵ Using the above-listed exchange rates.

⁶ Using the above-listed exchange rates.

Table 1(a):

SouthRock Capital Ltda.
Dividend Advance in Lieu of Salary
Kenneth Steven Pope | "KSP"

| Year | From SouthRock to KSP | | From SouthRock to KSP (US\$) | |
|-------|-----------------------|---------------|------------------------------|--------------|
| 2016 | BRL | 95,000.00 | \$ | 18,050.00 |
| 2017 | BRL | - | \$ | - |
| 2018 | BRL | 180,000.00 | \$ | 34,200.00 |
| 2019 | BRL | 6,270,000.00 | \$ | 1,191,300.00 |
| 2020 | BRL | 5,326,000.00 | \$ | 1,011,940.00 |
| 2021 | BRL | 3,195,000.00 | \$ | 607,050.00 |
| 2022 | BRL | - | \$ | - |
| 2023 | BRL | - | \$ | - |
| Total | BRL | 15,066,000.00 | \$ | 2,862,540.00 |

SouthRock Capital Ltda.
Dividend Advance Other
Kenneth Steven Pope | "KSP"

| Year | From SouthRock to KSP | | From SouthRock to KSP (US\$) | |
|-------|-----------------------|--------------|------------------------------|--------------|
| 2022 | BRL | 4,558,714.88 | \$ | 866,155.83 |
| 2023 | BRL | 791,275.58 | \$ | 150,342.36 |
| Total | BRL | 5,349,990.46 | \$ | 1,016,498.19 |

SouthRock Capital Ltda.
Dividend Advance Total
Kenneth Steven Pope | "KSP"

| Year | From SouthRock to KSP | | From SouthRock to KSP (US\$) | |
|-----------|-----------------------|---------------|------------------------------|--------------|
| 2016-2021 | BRL | 15,066,000.00 | \$ | 2,862,540.00 |
| 2022-2023 | BRL | 5,349,990.46 | \$ | 1,016,498.19 |
| Total | BRL | 20,415,990.46 | \$ | 3,879,038.19 |

Table 1(b):

SouthRock Capital Ltda.
Equity Contributions by
Kenneth Steven Pope | "KSP"

| Date | US\$ | BRL |
|--------------|------------------------|--------------------------|
| 7/12/2016 | \$ 50,000.00 | BRL 270,500.00 |
| 8/18/2016 | \$ 50,000.00 | BRL 270,500.00 |
| 9/28/2016 | \$ 50,000.00 | BRL 270,500.00 |
| 11/4/2016 | \$ 50,000.00 | BRL 270,500.00 |
| 6/29/2017 | \$ 300,000.00 | BRL 1,623,000.00 |
| 7/27/2017 | \$ 300,000.00 | BRL 1,623,000.00 |
| 8/9/2017 | \$ 200,000.00 | BRL 1,082,000.00 |
| 9/1/2017 | \$ 90,000.00 | BRL 486,900.00 |
| 9/19/2017 | \$ 130,000.00 | BRL 703,300.00 |
| 11/14/2017 | \$ 200,000.00 | BRL 1,082,000.00 |
| 11/22/2017 | \$ 170,000.00 | BRL 919,700.00 |
| 11/28/2017 | \$ 150,000.00 | BRL 811,500.00 |
| 4/12/2018 | \$ 150,000.00 | BRL 811,500.00 |
| 4/6/2021 | \$ 399,963.00 | BRL 2,163,799.83 |
| 4/13/2021 | \$ 99,963.00 | BRL 540,799.83 |
| Total | \$ 2,389,926.00 | BRL 12,929,499.66 |

Tables 1(c)-(e):

SouthRock Capital Ltda.

Contributions minus dividends / salary

Kenneth Steven Pope | "KSP"

| Contributions - dividends (2016-2023) (US\$) | | Contributions - dividends (2016-2023) (BRL) |
|--|----------------|---|
| \$ | (1,489,112.19) | BRL (7,486,490.80) |

| Contributions - dividends (2016-2021) (US\$) | | Contributions - dividends (2016-2021) (BRL) |
|--|--------------|---|
| \$ | (472,614.00) | BRL (2,136,500.34) |

| 2016-2021 averaged over six years (US\$) | | 2016-2021 averaged over six years (BRL) |
|--|-------------|---|
| \$ | (78,769.00) | BRL (356,083.39) |

28. Between 2016 and 2023, SouthStone contributed to SouthRock BRL 12,927,207.24, the equivalent of \$2,456,169.38.⁷

29. Between 2016 and 2023, SouthRock distributed to SouthStone BRL 9,713,300.00, the equivalent of \$1,845,527.00.

30. Between 2016 and 2023, SouthRock distributed to me BRL 2,380,330.00, the equivalent of \$452,262.70.

31. In total, between 2016 and 2023, SouthRock distributed to SouthStone and to me BRL 12,093,630.00, the equivalent of \$2,297,789.70.

32. The difference between (i) SouthStone contributions to SouthRock, and (ii) the distributions from SouthRock to SouthStone and to me is a positive \$158,379.68 or BRL 833,577.24 in favor of SouthRock over the eight years between 2016 and 2023. In other words,

⁷ Using the above-listed exchange rates.

SouthRock owes SouthStone \$158,379.68 using today's fx rate for simplicity. Using the historical fx rates, SouthRock owes SouthStone \$314,778.00 in the Brazilian Insolvency Proceedings.

33. Table 2 below represents my direct and indirect distributions from and equity contributions to SouthRock from SouthStone expressed in (a) U.S. dollars and b) Brazilian reals.⁸

Table 2(a):

SouthRock Capital Ltda.

Contributions/Distributions

Kenneth Steven Pope | "KSP"

SouthStone Capital LLC | "GSI"

| Year | From GSI to SouthRock (US\$) | From SouthRock to GSI (US\$) | From SouthRock to KSP (US\$) | Cumulative to KSP and GSI (US\$) | Balance to SouthRock (US\$) |
|--------------|------------------------------|------------------------------|------------------------------|----------------------------------|-----------------------------|
| 2016 | - | - | \$ 2,850.00 | \$ 2,850.00 | \$ (2,850.00) |
| 2017 | - | - | \$ 51,300.00 | \$ 51,300.00 | \$ (51,300.00) |
| 2018 | - | \$ 438,045.00 | \$ 398,112.70 | \$ 836,157.70 | \$ (836,157.70) |
| 2019 | - | \$ 691,794.75 | | \$ 691,794.75 | \$ (691,794.75) |
| 2020 | \$ 400,644.95 | \$ 215,146.50 | | \$ 215,146.50 | \$ 185,498.45 |
| 2021 | \$ 170,787.07 | \$ 305,254.00 | | \$ 305,254.00 | \$ (134,466.93) |
| 2022 | \$ 89,855.74 | \$ 195,286.75 | | \$ 195,286.75 | \$ (105,431.01) |
| 2023 | \$ 1,794,881.61 | - | | \$ - | \$ 1,794,881.61 |
| Total | \$ 2,456,169.38 | \$ 1,845,527.00 | \$ 452,262.70 | \$ 2,297,789.70 | \$ 158,379.68 |

Table 2(b):

SouthRock Capital Ltda.

Contributions/Distributions

Kenneth Steven Pope | "KSP"

SouthStone Capital LLC | "GSI"

| Year | From GSI to SouthRock | From SouthRock to GSI | From SouthRock to KSP | Cumulative to KSP and GSI (BRL) | Balance to SouthRock (BRL) |
|--------------|--------------------------|-------------------------|-------------------------|---------------------------------|----------------------------|
| 2016 | - | - | BRL 15,000.00 | BRL 15,000.00 | BRL (15,000.00) |
| 2017 | - | - | BRL 270,000.00 | BRL 270,000.00 | BRL (270,000.00) |
| 2018 | - | BRL 2,305,500.00 | BRL 2,095,330.00 | BRL 4,400,830.00 | BRL (4,400,830.00) |
| 2019 | - | BRL 3,641,025.00 | - | BRL 3,641,025.00 | BRL (3,641,025.00) |
| 2020 | BRL 2,108,657.63 | BRL 1,132,350.00 | - | BRL 1,132,350.00 | BRL 976,307.63 |
| 2021 | BRL 898,879.34 | BRL 1,606,600.00 | - | BRL 1,606,600.00 | BRL (707,720.66) |
| 2022 | BRL 472,924.95 | BRL 1,027,825.00 | - | BRL 1,027,825.00 | BRL (554,900.05) |
| 2023 | BRL 9,446,745.32 | - | - | BRL - | BRL 9,446,745.32 |
| Total | BRL 12,927,207.24 | BRL 9,713,300.00 | BRL 2,380,330.00 | BRL 12,093,630.00 | BRL 833,577.24 |

⁸ Using the above-listed exchange rates.

34. I understand the efforts of the plaintiffs in the U.S. Litigation have and may further result in attaching my assets in the United States, which consist of (i) the alimony for the maintenance of my children, (ii) funds to cover my legal fees incurred in custody proceedings, and (iii) the SouthStone Equity, which holds 89.999% of the equity of SouthRock.

35. I understand the efforts of the plaintiffs in the U.S. Litigation have and may further result in attaching the assets of SouthStone, including the SS GS Account and the equity of SouthRock.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: June 12, 2024

/s/ Kenneth Pope
Kenneth Pope